

October 28, 2011

MEA is changing its Clean Energy Grant Program incentive structure as of November 1, 2011. Please read this entire letter for important information about the change.

Increasing the amount of renewable energy is one of the State's key policy goals. The Maryland Energy Administration is tasked with achieving the state's Renewable Portfolio Standard (RPS). Currently, the RPS requires that 20% of energy sold in Maryland in 2022 come from qualified renewable energy resources, with 2% coming from qualified solar resources.

Maryland has made significant strides toward its goals:

- Renewable Energy World magazine named Maryland to its list of [Top 10 Solar Friendly States](#).
- *Solar Renewable Energy Credits* have provided a successful, market-based incentive to help drive the market to install an anticipated 40 MW of solar across the state by the end of CY 2011 as compared to 7 MW at the end of CY09 and 17 MW at the end of CY10.
- MEA's *Generating Clean Horizons* program broke ground on the [state's largest solar array](#) at Mount St. Mary's University in Emmitsburg. The project will annually produce 22,000 MWh of electricity, enough to provide energy for an estimated 1,800 homes.
- MEA's [Project Sunburst](#) has contributed 9.2 MW of solar capacity by advancing the use of Power Purchase Agreements (PPAs) to ensure long-term financial stability of larger PV projects on public buildings.

Along with these larger programs, MEA's *Residential Clean Energy Grant Program* (CEGP), started in FY05, has:

- Received more than 6,200 applications for over \$20,000,000
- Paid out over \$16,500,000 in grants to homeowners that have helped install more than
 - 2,000 PV systems with more than 10.5 MW of capacity
 - 1,100 solar water heating systems
 - 1,500 geothermal heat pump systems
 - 85 small wind systems

Much of the *Residential CEGP* funding has been supplied by the American Recovery & Reinvestment Act (ARRA), but those funds have been rapidly depleted due to overwhelming success of MEA's grant programs. Based on the recent increase in the application rate, the CEGP would have run out of its original FY12 funding of \$6.3 million in a few months, well before the end of the fiscal year. Further, MEA would likely have committed most of next fiscal year's budget before the fiscal year even begins. To prevent a months-long gap before FY13 funding comes available, **MEA has decided to shift money from other programs and provide an additional \$2.5 million to the Residential CEGP and change the grant structure as of Tuesday, November 1, 2011.**

We will be posting a list of applications that were received by the deadline date on our website in the coming weeks, along with reports showing the status of pending and historical grants. **Please first refer to these files prior to contacting MEA regarding your grant status.**

MEA will accept **complete grant applications with all supporting documentation at the "current" program incentive structure found in the table below through October 31, 2011.** To receive the current grant structure, applications must be:

- Hand-delivered to MEA's offices at 60 West Street, Annapolis, MD before 5:00 pm, Monday, October 31, 2011.
- Postmarked by midnight, Monday, October 31, 2011, and received by MEA by Thursday, November 3, 2011;
 - Please ensure that the post office cancels the postage, or used certified mail or a parcel delivery company to assure MEA can confirm the postmarked date
 - The date generated from automated postage machines **will not** be sufficient proof of postmark

MEA is committed to continuing the *Residential CEGP* into FY13, albeit at reduced levels for two technologies. To continue a stable and more sustainable program without starts and stops that have crippled other states, **MEA will make the following changes to the program effective November 1, 2011:**

- **Change the PV grant structure from a graduated \$500/kW to a flat amount of \$1,000/PV system/household.**
- **Reduce the geothermal heat pump grant cap to \$1,000.**

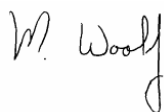
Grant Structure Effective November 1, 2011 (changes in **bold**)

Technology	Valid System Size	Grant Calculation	Maximum Award
Solar Photovoltaic (PV)	Up to 20 kW	Flat	\$1,000
Solar Water Heating	Any	20% of Total Cost	\$500
Geothermal Heat Pumps	Any	\$500 / ton	\$1,000
Small Wind	Up to 100 kW	Click to see details	\$75,000

Grants are allocated on a first come/first served basis across technologies. Homeowners may apply for one grant per technology per fiscal year. Leasing companies may apply for one grant per technology per address per fiscal year.

MEA regrets any inconvenience this may cause to the solar and/or geothermal industry in Maryland, but these changes reflect the inevitability of depletion of the ARRA funds. By making these changes, the CEGP will be able to continue supporting clean energy in the residential sector.

Sincerely,



Malcolm Woolf
Director